



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Set Public Hearing for September 20, 2006 to consider implementation of a new Substation & Transmission System Charge to be assessed as a development impact fee upon future EUD electric customers outside existing City boundaries and making corresponding amendments to the applicable Electric Utility Department Rules and Regulations (EUD)

MEETING DATE: September 6, 2006

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council schedule a public hearing for September 20, 2006 to consider the implementation of a new Substation and Transmission System Charge to be assessed as a development impact fee upon future EUD electric customers outside existing City boundaries and making corresponding amendments to the applicable Electric Utility Department Rules and Regulations.

BACKGROUND INFORMATION: EUD is responsible for expanding its electric system to serve new customers/development. This includes system improvements in distribution (12kV (kilovolts) and below), transmission (60kV and above) and substation facilities.

Presently, EUD's electric system includes four (4) distribution substations. These substations are believed to be sufficient for existing and in-fill development within the city. In the short run, new developments outside existing city boundaries can also be served from existing substations. In the longer run, however, new substations may be required in the west/southwest and/or south/southwest areas of the community to reliably accommodate expanded growth beyond current city boundaries.

There is a trend by electric utilities to make new development responsible for much, if not all, of the cost to expand/extend electric facilities to serve them. Today, EUD's cost to construct new substations and transmission lines is made without any cost contributions by new customers/developers.

A typical EUD substation would have two 18.75MVA (megavolt amps) power transformers with four (4) 12kV feeders and circuit breakers connected to each individual power transformer. The assumed length of the 60kV transmission lines interconnecting the substation to the existing electrical network is five miles. The estimated cost of constructing a new substation and associated transmission is \$7,864,500 (in 2006 dollars). Based on the effective capacity of a standard substation (48MVA), the corresponding cost per kVA (kilovolt amps) is computed to be \$163.84.

Staff is recommending the establishment of a Substation and Transmission System Charge to be assessed as a development impact fee upon future EUD electric developments outside existing City boundaries (as of August 1, 2006). The initial amount of such charge would be \$163.84 per kVA of computed new electrical load.

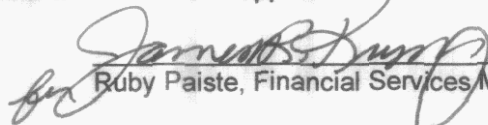
FISCAL IMPACT: This action will provide funds for future capital expenditures associated with new substation/transmission facilities.

APPROVED:

Blair King, City Manager

Set Public Hearing for September 20, 2006 to consider implementation of a new Substation & Transmission System Charge to be assessed as a development impact fee upon future EUD electric customers outside existing City boundaries and making corresponding amendments to the applicable Electric Utility Department Rules and Regulations (EUD)
September 6, 2006
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FUNDING AVAILABLE: Not applicable.



Ruby Paiste, Financial Services Manager



George F. Morrow
Electric Utility Director

PREPARED BY: Demy Bucaneg, Jr., P.E., Sr. Power Engineer

GFM/DB/1st

cc: City Attorney



***Please immediately confirm receipt
of this fax by calling 333-6702***

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: implementation of a new Substation & Transmission System Charge to be assessed as a development impact fee upon future electric utility customers outside existing City boundaries and making corresponding amendments to the applicable Electric Utility Department Rules and Regulations (EUD)

LEGAL AD

PUBLISH DATE: Saturday September 9, 2006

TEAR SHEETS WANTED: Three (3) please

SEND AFFIDAVIT AND BILL TO: JENNIFER M. PERRIN, INTERIM CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: Thursday September 7, 2006

ORDERED BY: JENNIFER M. PERRIN
INTERIM CITY CLERK

JENNIFER M. PERRIN, CMC
INTERIM CITY CLERK

JACQUELINE L. TAYLOR, CMC
DEPUTY CITY CLERK


DANA R. CHAPMAN
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

LNS Faxed to the Sentinel at 369-1084 at 3:00pm (time) on 9/7/06 (date) 2 (pages)
DIANE Phoned to confirm receipt of all pages at 3:30 (time) JLT DRC JMP (initials)



DECLARATION OF POSTING

implementation of a new Substation & Transmission System Charge to be assessed as a development impact fee upon future electric utility customers outside existing City boundaries and making corresponding amendments to the applicable Electric Utility Department Rules and Regulations (EUD)

On Friday, September 8, 2006, in the City of Lodi, San Joaquin County, California, an implementation of a new Substation & Transmission System Charge to be assessed as a development impact fee upon future electric utility customers outside existing City boundaries and making corresponding amendments to the applicable Electric Utility Department Rules and Regulations (EUD), was posted at the following locations:

Lodi Public Library
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.


Executed on September 8, 2006, at Lodi, California.

ORDERED BY:

**JENNIFER M. PERRIN
INTERIM CITY CLERK**

JENNIFER M. PERRIN, CMC
INTERIM CITY CLERK

JACQUELINE L. TAYLOR, CMC
DEPUTY CITY CLERK



DANA R. CHAPMAN
ADMINISTRATIVE CLERK



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: September 20, 2006

Time: 7:00 p.m.

For information regarding this notice please contact:

Jennifer M. Perrin
Interim City Clerk
Telephone: (209) 333-6702

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, September 20, 2006** at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) implementation of a new Substation & Transmission System Charge to be assessed as a development impact fee upon future electric utility customers outside existing City boundaries and making corresponding amendments to the applicable Electric Utility Department Rules and Regulations (EUD)

Information regarding this item may be obtained in the Electric Utility Department, 1331 S. Ham Lane, Lodi, (209) 333-6762. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 W. Pine Street, 2nd Floor, Lodi, 95240 at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.


If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:


Jennifer M. Perrin
Interim City Clerk

Dated: September 6, 2006

Approved as to form:


D. Stephen Schwabauer
City Attorney